April 24, 2019

Overall confidence in economy almost unchanged

Business cycle survey – April 2019

The composite confidence indicator (economic sentiment indicator), that is stated by basic indices, increased very slightly by 0.1 points to 97.1 compared to March. Confidence of entrepreneurs increased slightly by 0.3 points to 95.8, m-o-m. Consumer confidence indicator decreased slightly by 0.8 points to 103.8, m-o-m. Composite confidence indicator, entrepreneurs confidence indicator and consumer confidence indicator are lower compared to April 2018.

In **industry***,* in April, confidence indicator increased by 1.5 points to 93.4 The assessment of current overall economic situation of the respondents decreased, m-o-m. The assessment of current total and foreign demand decreased slightly. According to respondents, stocks of finished goods decreased slightly too. Most important barrier of production is insufficient demand; it was stated by 29 % of respondents. The second important barrier of production is lack of staff, it was stated by 26% of respondents. For the next three months, respondents expect an increase in the development of production activity and a slight decrease in the employment. Expectations of general economic situation development for the next three as well as six months decreased, m-o-m. Overall, confidence in industry is lower, y-o-y.

In April, production capacity utilization in **manufacturing industry** did not change and stayed at the same value 85.7 % q-o-q. Respondents estimate they have work secured by contracts for 8.2 months, which is approximately the same as in the previous quarter.

The survey on **investment activity** taken among manufacturing enterprises suggests that after an increase in 2018, the level of investment should increase by about 12 % in 2019. It refers predominantly to a renewal of production equipment; to an extension of production capacities and less to an introducing new technologies.

In **construction**, in April, confidence decreased by 2.0 points to 105.9. The assessment of current economic situation of the respondents decreased, m-o-m. The assessment of total demand for construction work decreased slightly, compared to March. Most important barrier of production is lack of staff; it was stated by 34 % of respondents. Respondents expect for the next three months no changes in the development of construction activity and almost no changes in the employment. Expectations of general economic situation development for the next three as well as six months decreased. All in all, confidence in construction is higher, y-o-y.

In April, confidence in **trade** decreased slightly by 0.5 points to 93.5. The assessment of overall economic situation of the respondents decreased, m-o-m. The stocks almost unchanged. Expectations of the economic situation development for the next three as well as six months increased slightly. Overall, confidence in trade is lower, y-o-y.

In selected **services** (incl. banking sector)*,* in April, confidence decreased slightly by 0.5 points to 97.4. The assessment of current economic situation of the respondents increased slightly compared to March. In April, the assessment of demand decreased slightly. Its expectation for the next three months decreased slightly too. For the next three months, respondents expect a slight decrease in the employment. Expectations of total economic situation development for the next three months almost unchanged, for the next six months increased. All in all, confidence in selected services is lower, y-o-y.

In April, consumer confidence indicator decreased slightly by 0.8 points to 103.8, m-o-m. The survey taken among consumers in April indicates that consumers are for the next twelve more afraid of a decrease in the overall economic situation. Worries about their financial standing did not change, compared to March. Worries about rise in the unemployment almost unchanged, m-o-m. The respondents concern about rises in prices increased. The share of respondents intending to save money almost unchanged. Overall, consumer confidence indicator is lower, y-o-y.

Notes:

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This press release was not edited for language.

Annex:

Table 1 Confidence Indicators – basic indices

Table 2 Balances of Confidence Indicators

Graph Confidence indicators – base indices, seasonally adjusted (2008–2019)

Graph Confidence indicators – base indices, seasonally adjusted (1998–2019)

Graph Confidence Indicators for industry, construction, trade, and in selected services – baes indices, seasonally adjusted (2006–2019)

Graph Balances of seasonally adjusted confidence indicators for industry, construction, trade, and in selected services (2006–2019)

Graph Economic Sentiment Indicators – international comparison, seasonally adjusted

Graph Production Capacity Utilisation in Manufacturing Industry

Graph Limits of Production in Industry

Graph Limits of Production in Construction

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